

Zambia

Edalina Rodrigues Sanches

Edgar Lungu of the ruling Patriotic Front (PF) won the presidential by-elections by one of the narrowest margins ever against the runner-up, Hakainde Hichilema of the United Party for National Development (UPND). The elections were deemed free and fair, but levels of turnout reached a record low. Inonge Wina became the first female vice president and the PF was the major winner in the parliamentary by-elections. Parliament passed the Constitution of Zambia (Amendment) Bill, which changed the formula for winning presidential elections from a simple majority to 50% plus one. Eduard Lungu set himself an intensive travel programme to further and deepen bilateral relations with neighbouring countries in Southern Africa and with China. China remained a key investor, with important agreements reached in the technology, communications and transport sectors. Against falling copper prices, Zambia's currency continued to be devalued, the economy slowed down and unemployment increased in the mining sector. A new mining tax regime was approved. The electricity deficit rose dramatically, generating a severe power crisis, and electricity tariffs increased. The cost of living rose and only two out of the eight MDGs were attained.

Domestic Politics

The *presidential by-election* followed the death of President Michael Sata on 28 October 2014. According to constitutional provisions, if the president's office becomes vacant by reason of his death, an election to the office of the president shall be held within 90 days from the date of the vacancy (Articles 38 and 34). Acting President Guy Scott announced 20 January as the date of the by-election. The winning candidate was to complete Sata's term until 2016. A total of *eleven candidates* successfully filed their nomination papers: Edgar Lungu (PF), Hakainde Hichilema (UPND), Edith Nawakwi (Forum for Democracy and Development; FDD), Nevers Mumba (Movement for Multi-Party Democracy; MMD), Tilyenji Kaunda (United National Independence Party), Eric Chanda (Fourth Revolution Party), Elias Chipimo Jr (National Restoration Party; NAREP), Godfrey Miyanda (Heritage Party), Daniel Pule (Christian Democratic Party), Ludwig Sondashi (Forum for Democratic Alternatives) and Peter Sinkamba (Green Party of Zambia).

The frontrunners were Lungu, who emerged from relative anonymity to be the PF presidential candidate at a highly divided and controversial General Conference, and Hichilema, the UPND founding leader and a contestant in all presidential elections since 2006. In terms of *campaign strategies*, Lungu heavily capitalised not only on former president Sata's popularity and charisma, but also on his reputation and achievements, especially in growing the economy. In fact, he frequently positioned himself as the guardian of the late president's legacy. According to Nicole Beardsworth, a South African political analyst, "The PF's campaign materials reflected this, giving Sata's face prominence and placing Edgar Lungu's smaller image below it in a symbolic sign of deference." Apart from pledges to continue with Sata's 'vision' and development programmes, Lungu promised to reduce fuel and staple food prices, to increase access to education, to expand social welfare cash transfer schemes to all rural districts, to ease land acquisitions by Zambians, to protect media freedom and to continue outlawing homosexuality (he had long been an opponent of gay rights). His campaign slogan, "Ifintu ni Lungu" ("Edgar Lungu is the real thing"), became popular among young people and went viral on social media. Meanwhile, Hichilema invited voters "to board Flight HH2015". He promised to enact a new constitution by 2016, to lower the cost of living by reducing the price of fuel, to create more jobs by changing the retirement age from 65 to 55 and to reduce the cost of fertiliser to allow farmers to increase their agricultural productivity,

which in turn would reduce the cost of the staple foods. Hichilema also contested the way the government had been using the Public Order Act (POA) to limit political competition, arguing that it should be properly managed to allow people to express themselves. Moreover, he promised that the UPND would repeal the negative NGO Act, which had been criticised by national and international organisations for inhibiting NGOs' independence and freedom of action. In terms of *campaign resources*, Hichilema seemed able to access more resources than Lungu. In particular, he used a helicopter to campaign in traditional PF strongholds, such as the provinces of Luapula, Muchinga and the Northern Province, which he had rarely visited in his previous presidential campaigns. Nevers Mumba of the MMD and Edith Nawakwi (FDD's president since 2005) also captured some media attention, being the first priest and the first woman, respectively, to run in presidential elections. Mumba promised that school education would be mandatory if he came to power and that he would also reintroduce agricultural subsidies, while Nawakwi's campaign focused on fighting corruption, which she promised to do by decentralising government.

The campaign period (19 November 2014 to 19 January) was considered relatively peaceful, apart from two incidents involving PF and UPND supporters. In Shiwa N'gandu, PF cadres tried to torch a helicopter carrying UPND leaders and the two parties clashed at the airport in Mongu, when the departure of Hichilema (UPND) coincided with the arrival of Interim President Scott (PF). The election was meant to take place on 20 January, but voting ultimately extended over four days and ended on 23 January because of the intensity of the rains. The Electoral Commission of Zambia (ECZ) announced the *final result* on 24 January, declaring Lungu the winner with 807,925 votes (48.3%) against Hichilema's 780,168 (46.7%), leaving a gap of 27,757 votes (1.6%). In terms of *electoral geography*, Lungu (PF) had the broadest geographical appeal, winning in six provinces and coming second in four. Hichilema (UPND) had the most dedicated voters, with Southern Province recording the highest voter turnout at 48.97%, followed by Northwestern Province with 38.2%, both UPND strongholds. Mumba came fourth nationwide and seventh in Eastern Province, the MMD's traditional stronghold. The picture was more complex in Central Province, and votes were also spread out more in urban areas and in the Lusaka and Copperbelt Provinces. *Turnout* declined to a historical low of 32.4% (down from 54% in 2011). Despite election day being declared a public holiday, only 1,671,662 out of the 5,166,084 eligible voters turned up at the polls.

Elections were declared *free and fair* by international observers hailing from the AU, SADC, COMESA and the Electoral Institute for Sustainable Democracy in Africa. Minor incidents were reported, including an attack on ECZ staff in Choma, but the election took place without any major clashes between parties. There were few reports of electoral malpractice, but the UPND complained that the Zambian Air Force had grounded its helicopters, which were meant to provide transport for its election observers. Hichilema eventually declared that the election had been 'stolen' and did not accept the results. In terms of *campaign finance*, the election cost an estimated K (kwacha) 344 m, with K 19 m coming from donor contributions from countries and institutions including Ireland, Japan, Sweden, UK, USA and the UNDP, and the rest being covered by the government.

Despite having little room for manoeuvre, since he inherited the MPs, ministers and PF officials chosen by Sata, Lungu stated that he would select his cabinet on the basis of merit. Changes in this matter were considerable throughout the year. He originally appointed a cabinet of 21 ministries, retaining the defence portfolio himself. He removed five of the late President Sata's ministers (Guy Scott, Robert Sichinga, Mwansa Kapeya, Wylbur Simuusa and Emmanuel Chenda), who had not supported him during the power struggle in the PF. However, he kept nine ministers with their portfolios unchanged, notably Alexander Chikwanda (Finance), Joseph Kasonde (Health), Harry Kalaba (Foreign Affairs) and Jean Kapata (Tourism and Arts), and transferred several others to different portfolios, including Ngosa Simbyakula (Justice) Davies Mwila (Home Affairs) and Joseph Katema (Chief and Traditional Affairs). New entrants were Margaret Mwanakatwe (Commerce, Trade and Industry), Christabel Ngimbu (Lands, Natural Resources and Environment), Given Lubinda (Agriculture and Livestock) and John Pahari (Local Government and Housing).

Lungu then appointed over 30 deputy ministers (including five from the MMD), which was highly criticised by opposition parties who contested the duplication of several ministries.

Lungu's *second cabinet* included 25 ministries and was formed after Parliament approved the establishment of five new ministries on 1 October. He subsequently split five ministries into two, including Finance (Finance; Development Planning), Mines, Energy and Water Development (Energy and Water Development; Mines and Minerals Development), Agriculture and Livestock (Agriculture; Fisheries and Livestock), Transport, Works, Supply and Communication (Transport and Communication; Works and Supply) and Education, Science, Vocational Training and Early Education (General Education; Higher Education). In addition, Lungu moved child development to the Ministry of Youth, Sports and Child Development, and mother and child health to the Ministry of Health.

The upshot of the presidential by-election was also marked by action against members who had broken *party discipline*. In the MMD, at least 18 members were expelled for having supported either the PF or the UPND in the presidential by-election. The UPND expelled three MPs for backing the ruling PF party, while the ruling PF expelled members who had refused to campaign for Lungu. Parties also took a period to reorganise and to prepare themselves for the August 2016 general elections. The MMD held a policy conference aimed at renewing the party's policies in line with changing times to culminate in the 2016 MMD Manifesto, while the NAREP replaced its national secretary.

Several *parliamentary by-elections* were held: the first round in Chawama, Masaiti and Senga Hill (14 April), the second in Malambo, Petauke and Mulobezi (30 June), the third in Bangweulu (6 August) and finally the fourth in Lubansenshi and Solwezi West (4 September). The PF was the major winner, losing only in Solwezi West to the UPND.

The *Constitution of Zambia (Amendment) Bill 2015* was published in late July. It included 20 revisions, including a majoritarian system for the election of the president (50% plus one), the election of a vice president as the president's running mate, an increase in the number of MPs from 158 to 250 (156 elected and 94 chosen from party lists), the establishment of provincial assemblies, the establishment of two higher courts (appeal and constitutional), the introduction of dual citizenship, the establishment of a financing fund for political parties, the renaming of the police and the prisons service and the election of parliamentary secretaries, amongst other things. On 19 November, the bill was passed by Parliament after the second reading. In line with the Zambian law-making process, this phase involved a general debate, followed by a vote to channel the bill to the Committee on Legal Affairs, Governance, Human Rights and Gender to consider the text of the constitutional bills and to issue a report, generating a third reading before final approval by the president. In December, Parliament adopted the new Constitution with the amendments listed above except for Part 3, the bill of rights, which was to be adopted through a referendum in 2016.

Still related to electoral issues, six *new constituencies* were created in areas where the recent creation of new districts had resulted in constituencies spanning more than one district. The changes recommended by the ECZ implied the need to split the following constituencies: Siavonga (consisting of the old Siavonga and the new Chirundu Districts), Sinjembela (Shangombo and Sioma), Mansa Central (Mansa and Chembe), Kaoma Central (Kaoma and Nkeyema), Kapiri Mposhi (Kapiri Mposhi and Ngabwe) and Kapoche (Petauke and Sinda).

In terms of liberal and *civil rights*, the POA, which stipulates the parameters within which public meetings are held and thus parties' abilities to operate and to campaign in by-elections, remained contestable, as there were accusations of government misuse of the existing provisions. Despite the blocking of some critical websites, the Internet remained one of the freest spaces for journalists and bloggers to express criticism of the government, with freedom at a net rating of 40 (on a scale where 0=most free to 100=least free). Nevertheless, the media environment remained challenging (rated 'not free' according to Freedom House).

Foreign Policy

President Lungu had a busy travel schedule throughout the year. In his first 30 days in office, he travelled abroad four times (*Ethiopia, Zimbabwe, Angola and South Africa*). In contrast, the late President Sata did not leave Zambia in his first month in office, and former president Rupiah Banda (MMD) undertook one trip only. Visits were mainly aimed at strengthening cooperation with bordering countries and capturing investments for relevant sectors of the country's economy. In January, Lungu was in Addis Ababa (Ethiopia) to attend the 24th session of the AU Assembly. In February, he received President Jakaya Kikwete of Tanzania, the first visit by a foreign head of state during Lungu's presidency. The purpose of the two-day state visit was to discuss bilateral issues, including the restoration of the Tanzania-Zambia Railway Authority (TAZARA) and the Tanzania-Zambia-Mafuta (TAZAMA) pipeline and the improvement of goods clearing at the Nakonde-Tunduma border. Lungu also travelled to Zimbabwe on 7 February to pay a traditional courtesy call on President Robert Mugabe, to Angola on 13 February to commission the renewed Benguela Railway, to address the Angolan National Assembly and to sign bilateral agreements on cross-border water and railway transport, and finally to South Africa on 25 February to meet President Jacob Zuma, to discuss bilateral, regional and international issues with a focus on the DRC, Madagascar and Lesotho.

In March, relevant travel included a trip to *Namibia* to attend the country's 25th Independence Day celebrations and the inauguration of President Hage Geingob, and a state visit to *China*. The visit to China received great media attention due to its outcomes: the main highlights were two bilateral agreements worth CNY (yuan) 400 m (\$ 65 m) and an additional CNY 410 m under a framework for concessional loans and grants destined for the Zambia Information and Communication Technology Authority for the construction of communication towers in rural areas. Also, a range of investment agreements worth \$ 800 m were established with mostly private sector companies in China, targeting projects including a new oil refinery, a cement plant and milling plants in all of Zambia's ten provinces. The Ministry of Foreign Affairs was set to open a consulate in Guangzhou in southern China, as most Zambians did business far from the embassy in Beijing. This was also the month in which Lungu ordered the Ministry of Foreign Affairs to waive visa fees for all Chinese tourists.

In April, Lungu visited Zimbabwe to attend the SADC Summit and officiate at the 56th Zimbabwe Trade Fair. In May, he was present at the *Extra-Ordinary Summit of Heads of State of the Great Lakes Region* held in Angola. In June, he attended the AU Summit in South Africa and Mozambique's 40th Independence Day celebrations. In July, he visited Malawi to attend its 51st Independence Day ceremonies and Uganda for a two-day state visit. Both President Museveni and Lungu manifested the will to strengthen and deepen cooperation between Uganda and Zambia. In August, Lungu participated in the SADC Heads of State and Government meeting during the official opening of the 35th Ordinary Summit in Gaborone (Botswana).

First Lady Esther Lungu was also quite active. In September, she participated in a series of meetings in Dallas (Texas) and New York. Among many other events, the George W. Bush Institute invited her to participate in high-profile engagements with other first ladies, focusing on women's empowerment, health, technology and other sectors. In New York, she attended a series of events including the Women and the New Sustainable Development Agenda (25 September). In October, she was in Saudi Arabia at the invitation of the Ministry of Health of the Kingdom of Saudi Arabia and Her Royal Highness Princess Latifa Bint Abulaziz Al Saud, the Saudi king's wife. She met the princess to discuss support for women's and children's programmes in Zambia. In December, she launched the Esther Lungu Foundation as a vehicle to carry out her humanitarian work.

Socioeconomic Developments

Zambia's *economic slow down* followed regional and global trends. According to World Bank estimates, SSA's GDP growth averaged 3.7%, down from 4.6% in 2014, while Zambia's GDP growth averaged 3.5%, down from 5.6%. After experiencing average growth rates of 8% between 2002 and 2010, the economy had steadily contracted ever since, being poorly diversified and heavily dependent on the performance of the mining sector. Copper contributed 9% to GDP and accounted for more than 70% of exports, with the economy being vulnerable to shifts in trading prices and demands at the global level because of its high dependence on this metal. Copper prices dropped to a six-year low and global demand for the metal (particularly from China, Zambia's main trading partner) declined. In the first half of the year, *copper export earnings* dropped to \$ 2.6 bn, a fall of 29.9% compared with the same period in 2014. Annual *inflation* rose to 19.5% in November, up from 14.3% in October, driven by increases in prices for both food and non-food items. The *trade balance* posted a deficit of K 2.58 bn in October, from K 2.11 bn in September. In April, the cabinet approved the Income Tax (Amendment) Bill of 2015, seeking to implement changes to the mining tax regime and corporate income. *Mineral royalties* increased to 8% for underground mines and 20% for open cast mines. Corporate income tax for mining operations increased from zero to 30%.

Lack of rain and low water levels in all reservoirs (particularly in the Kariba dam on the border with Zimbabwe) triggered a severe *power crisis*, which affected both the general population and the mining sector. According to Minister of Mines, Energy and Water Development Christopher Yaluma, the electricity deficit rose from 560 MW in August to 985 MW in September. In response, the government decided to import electricity from a gas-fired generator based in Ressano Garcia in southern Mozambique. The Zambian government revealed that more than \$ 40 m was spent on importing 148 MW of emergency power between September and December. In August, the cabinet approved an immediate increase in electricity tariffs for all categories of electricity users, excluding the 'life-line tariff' for residents using less than 500 kwh per month. It should be noted that Lungu had already in February approved an increase for all commercial consumers except for mines on condition that ZESCO, the state-owned power company, would freeze residential tariffs for two years. Nevertheless, in November, ZESCO proposed an increase in electricity tariffs of between 170% and 250%. ZESCO justified its new proposal by explaining that the new tariffs were intended to attract a portfolio of diversified generation projects and investors.

Power shortages, falling copper prices and changes in the tax regime made 2015 a particularly challenging year for the *mining sector*, affecting not only earnings but also the expansion of mining activities. Because of the need to restructure mining activities, thousands of workers lost their jobs: 1,675 from Konkola Copper Mines (Vedanta Resources Plc), over 3,000 from Mopani Copper Mines (Glencore Plc) and 1,640 from Luanshya Copper Mines (China Nonferrous Mining Corporation Ltd). With the 2016 general elections ahead, Lungu promised to create 10,000 jobs in the Copperbelt province by transforming Zambia into an agro-based economy involving ex-miners and supported by infrastructural development, namely construction of a new airport, roads and a water reticulation system.

The Jesuit Centre for Theological Reflection (JCTR) Basic Needs Basket revealed a general rise in the cost of living for most towns at the close of the year. Considering the two major cities, Lusaka and Kitwe, the JCTR registered the following increases: the Basic Needs Basket for Lusaka increased from K 3,715.47 in July to K 4,371.76 in December (17.6% increase), while the Kitwe Basic Needs Basket went up from K 2,768.69 in July to K 3,919.58 in December (41% increase). These rises resulted from price increases in food and non-food items, in particular the rise in the cost of maize meal, which increased from K 68.00 to over K 82.00 per 25-kg bag in some parts of the country, and the rise in energy costs. The government eventually stopped supplying millers with subsidised maize from the Food Reserve Agency, allegedly because millers had not reduced maize meal prices.

The *budget deficit* widened to K 20.5 bn (18.5% of GDP) in the first six months of the year, mainly due to expenditure on civil servants' salaries and infrastructure projects (the government had

accumulated an overrun of K 1.9 bn on Link Zambia 8000). Despite its difficulties, Zambia hesitated to accept an *IMF* loan, with Finance Minister Alexander Chikwanda stating that “the IMF is not the best mechanism for helping countries which are down”, and that “in some cases it even compounds” the difficulties. Still, two IMF teams visited the country in March and November. In a May Press release, the IMF encouraged the government to address infrastructure and electricity constraints, strengthen project selection and prioritise capital spending. It also called for sustained expenditure and revenue efforts, including efforts to contain the wage bill and target social spending. On the positive side, it commended the cabinet’s decision to change the mining tax regime. Later, a press release issued in November stated that Zambia’s authorities and the IMF staff would remain closely engaged in the period ahead and work on possible forms and timing of engagement.

The Zambian government still turned to the external market to seek out *multilateral assistance*. For instance, in May, Sweden announced it was unlocking \$ 47.3 m in donor funds that it had frozen in 2010 after allegations of misappropriation. The move was seen as a clear victory for Lungu’s anti-corruption platform. In December, the government approved a \$ 275 m loan from the Industrial and Commercial Bank of China for the design and construction of 2,350 housing units for the security wings (police, prisons, immigration department and intelligence department).

2015 was also challenging in terms of *human development* achievements. Zambia only achieved two of the eight MDGs: MDG 2 (universal primary education) and part of MDG 6 (HIV/AIDS, malaria and other major diseases). It failed to achieve the targets set for MDG 1 (poverty and hunger), MDG 3 (gender equality), MDG 4 (child mortality), MDG 5 (maternal mortality), MDG 7 (environmental sustainability) and MDG 8 (global partnership for development). According to the 2015 *Social Progress Index* (an index that scores countries in terms of basic human needs, foundation of well-being and opportunity), Zambia ranked 105th out of 133 countries (with an index of 51.62), slightly better than its index of 50.48 in 2014. Zambia performed best on ‘opportunity’ (placed 80th) and worst on ‘basic human needs’ (placed 121st). According to WFP, Zambia had one of the highest rates of undernourished people in the world (48%). In absolute figures, the number of undernourished people had more than doubled in the last 20 years to 7.4 m people.

In a year with great economic and social challenges, there was some good news too. *Sugar production* reached a record high (424,024 tonnes), with Zambia Sugar recording the highest ever tonnage produced by a single sugar factory on the African continent in any given season. In April, the Supreme Court of Zambia upheld a 2011 High Court verdict that found Vedanta (Konkola Copper Mines) guilty of water pollution, which poisoned thousands of Chingola residents in 2006. This was seen as a landmark decision for the way mining pollution is regarded in Zambia.

Business with *China* continued to diversify. In January, a Chinese company that was exploring for diamonds in Mbala, Northern Province, reported that Zambia had “high grade diamonds in comparison to that of South African diamond mines”. In April, China Jiangxi Corporation Zambia Ltd, responsible for expanding Lusaka’s Kenneth Kaunda International Airport, announced that work would start in May. As in 2014, Zambia scored 38 in the Corruption Perceptions Index, even though its relative position improved from 85th out of 175 to 76th out of 168.